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Denmark

Agricultural Situation

Economic Fact Sheet on Danish Agriculture

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Report Highlights:

This report is an overview of the Danish agricultural characteristics, including production, marketing, trade and the food processing and retail sectors.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
The Hague [NL1], DA

Economic Fact Sheet

Danish Agriculture

Population:	5.4 million
2001 Per Capita GDP:	\$30,430
2001 Danish Ag Exports:	\$11.0 billion
2001 Danish Ag Imports:	\$5.9 billion
AG Sectors share of GDP:	5.1%
AG and Food Sector share of GDP:	14.4%
Farmers as percent of population:	1.5%
U.S. Share of Danish Ag Imports	3.4%

Agricultural Production

Danish agricultural production today meets the demands of approximately 15 million people, which is three times the country's total population. Food production (\$13.6 billion in 2001) dominates the industrial sector, accounting for just under a third of total industrial production. Denmark is a major producer of pork, dairy products, grass seeds and mink furs. Danish world market shares of these and other products in 2000 were as follows: grass seeds (45%), mink furs (37%), processed meat (14%), fish (13%), other meat (14%), cheese (9%), barley (7%) and butter (7%). Denmark is the fourth largest producer of pork in the EU and the largest exporter of pork in the world.

Agricultural Marketing

Danish farmers sell their products through cooperatives owned by the farmers themselves. The cooperatives handle all processing and sales including exports. About 90% of all agricultural products are handled through the cooperative system. The remainder is sold through private companies.

The major cooperatives in Denmark, the products they handle and their market share are following: Danish Crown (red meat, mainly pork; 95%), MD Foods (dairy, 90%), Danish Fur Breeders Association (mink, 100%), DLF Trifoleum (planting seeds, 80%).

Agricultural Trade

Danish agricultural exports, which account for 22% of total Danish exports, registered \$11.023 billion in 2001. Major exports, on a value basis, were pork (\$3.3 billion), cheese (\$904 million), furs (\$388 million), and poultry (\$198 million). The EU is the most important export destination for Danish agricultural products accounting for 63% of the total with Germany, the UK and Italy the most important individual markets. The United States accounted for 3.4 % of Danish agricultural exports in 2001. On a value basis, red meat is the most important export to the U.S. market followed by cheese and snack foods.

In 2001 U.S. exports to Denmark reached \$197 million, with consumer oriented products accounting for 36% of the total. Major U.S. agricultural products include tobacco (\$35 million), animal feed and fodder (\$26 million), wine (\$6 million), and tree nuts (\$11 million). U.S. forest product exports to Denmark reached \$21 million in 2001 and seafood exports reached \$12 million.

Food Processing and Retail Sectors

Agricultural value added per employee in the agricultural sector is \$45,685, the highest in the world, ahead of the Netherlands, France and U.S., respectively.

The Danish food and agriculture sectors account for 22% of total export earnings. The sector employs about 7% of the Danish workforce.

With one of the highest incomes in Europe, the Danish market is attractive for high value, specialized consumer-ready food products. The Danes spent 19 percent of their total

consumption on food.

The Danish food product sector is highly concentrated, dominated by a number of large retail chains with in-house wholesale and import divisions. In addition to the main players, a number of smaller wholesalers and importers deliver to minor retail chains and individual businesses.

The major wholesalers/importers and their market shares are FDB (37%), Danish Supermarket (27%) and SuperGros (20%).

(Revised: May 2002).